

ARENA PHARMACEUTICALS, INC.
INSIDER TRADING POLICY
(APPROVED DECEMBER 15, 2020, WITH AN EFFECTIVE DATE OF JANUARY 13, 2021)

INTRODUCTION

During the course of your relationship with Arena Pharmaceuticals, Inc. (“**Arena**”) or its subsidiary, you may receive material information that is not yet publicly available (“**Material Nonpublic Information**”) about Arena or other publicly traded companies that Arena has business relationships with. Material Nonpublic Information may give you, or someone you pass that information on to, a leg up over others when deciding whether to buy, sell or otherwise transact in Arena Securities (as defined below) or the securities of another publicly traded company. This policy sets forth guidelines with respect to transactions in Arena Securities by our employees, our directors, our consultants who are advised that they are subject to this policy (“**Designated Consultants**”), and each of their Related Persons as described below.

STATEMENT OF POLICY

Prohibited Activities. It is the policy of Arena that an employee, director, or Designated Consultant of Arena or any of its subsidiaries (and any Related Person) who is aware of Material Nonpublic Information relating to Arena **may not**, directly or indirectly:

1. engage in any transactions in Arena Securities, except as otherwise specified under the heading “Exceptions to this Policy” below;
2. recommend for or against the purchase or sale of any Arena Securities;
3. disclose Material Nonpublic Information to persons within Arena whose jobs do not require them to have that information, or outside of Arena to other persons, such as family, friends, business associates and investors, unless the disclosure is made in accordance with Arena’s policies regarding the protection or authorized external disclosure of information regarding Arena; or
4. assist anyone engaged in the above activities.

Scope of Prohibition. The prohibition against insider trading is absolute. It applies **even if** the decision to trade is not based on such Material Nonpublic Information. It also applies to transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) and also to very small transactions. All that matters is whether you are aware of **any** Material Nonpublic Information relating to Arena at the time of the transaction.

The U.S. federal securities laws do not recognize any mitigating circumstances to insider trading. In addition, even the appearance of an improper transaction must be avoided to preserve Arena’s reputation for adhering to the highest standards of conduct. In some circumstances, you may need to forgo a planned transaction even if you planned it before becoming aware of the Material Nonpublic Information. So, even if you believe you may suffer an economic loss or sacrifice an anticipated profit by waiting to trade, you must wait.

Tippling. It is also important to note that the laws prohibiting insider trading are not limited to trading by the insider alone; advising others to trade on the basis of Material Nonpublic Information is illegal and prohibited by this policy. Liability in such cases can extend both to the “tippee”—the

person to whom the insider disclosed Material Nonpublic Information—and to the “tipper,” the insider himself or herself. In such cases, you can be held liable for your own transactions, as well as the transactions by a tippee and even the transactions of a tippee’s tippee. For these and other reasons, it is the policy of Arena that no employee, director, or Designated consultant of Arena (or any other person subject to this policy) may either (a) recommend to another person that they buy, hold or sell Arena Securities **at any time** or (b) disclose Material Nonpublic Information to persons within Arena whose jobs do not require them to have that information, or outside of Arena to other persons (unless the disclosure is made in accordance with Arena’s policies regarding the protection or authorized external disclosure of information regarding Arena).

Other Publicly Traded Companies. In addition, it is the policy of Arena that no employee, director, or Designated Consultant of Arena (or any other person subject to this policy) who, in the course of working for Arena, learns of or is otherwise aware of Material Nonpublic Information about another publicly traded company with which Arena does business, including a supplier, partner, or collaborator of Arena, may trade in that company’s securities until the information becomes public or is no longer material.

TRANSACTIONS SUBJECT TO THIS POLICY

This policy applies to all transactions in securities issued by Arena, as well as derivative securities that are not issued by Arena, such as exchange-traded put or call options or swaps relating to Arena Securities (all of which are collectively referred to in this policy as “**Arena Securities**”). Accordingly, for purposes of this policy, the terms “**trade**,” “**trading**” and “**transactions**” include not only purchases and sales of Arena’s common stock in the public market but also any other purchases, sales, transfers or other acquisitions and dispositions of common or preferred equity, options, warrants and other securities (including debt securities) and other arrangements or transactions that affect economic exposure to changes in the prices of these securities.

PERSONS SUBJECT TO THIS POLICY

This policy applies to you and all other employees, directors, and Designated Consultants of Arena and its subsidiaries. This policy also applies to members of your immediate family, persons with whom you share a household, persons who are your economic dependents and any other individuals or entities whose transactions in securities you influence, direct or control (including, e.g., a venture or other investment fund, if you influence, direct or control transactions by the fund). The foregoing persons who are deemed subject to this policy are referred to in this policy as “**Related Persons**.” You are responsible for making sure that your Related Persons comply with this policy. However, this policy does not apply to any entity that invests in securities in the ordinary course of its business (e.g., a venture or other investment fund) if (and only if) (A) such entity has established its own insider trading controls and procedures in compliance with applicable securities laws with respect to trading in Arena Securities and (B) you do not influence, direct or control transactions in Arena Securities by such entity.

MATERIAL NONPUBLIC INFORMATION

Material information

It is not always easy to figure out whether you are aware of Material Nonpublic Information. But there is one important factor to determine whether nonpublic information you know about a public company is material: whether the information could be expected to affect the market price

of that company's securities or to be considered important by investors who are considering trading that company's securities. If the information makes you want to trade, it would probably have the same effect on others. Keep in mind that both positive and negative information can be material.

There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by relevant enforcement authorities with the benefit of hindsight. Depending on the specific details, the following items may be considered Material Nonpublic Information until publicly disclosed within the meaning of this policy. There may be other types of information that would qualify as material information as well; use this list merely as a non-exhaustive guide:

- financial results or forecasts;
- status of product or product candidate development, including regulatory developments;
- clinical data relating to products or product candidates;
- timelines for pre-clinical studies or clinical trials;
- acquisitions or dispositions of assets, divisions or companies;
- public or private sales of debt or equity securities;
- stock splits, dividends or changes in dividend policy;
- the establishment of a repurchase program for Arena Securities;
- gain or loss of a significant licensor, licensee or supplier;
- changes or new corporate partner relationships or collaborations;
- notice of issuance or denial of patents;
- management or control changes;
- employee layoffs;
- a disruption in Arena's operations or breach or unauthorized access of its property or assets, including its facilities and information technology infrastructure;
- tender offers or proxy fights;
- accounting restatements;
- litigation or settlements;
- impending bankruptcy; and
- a significant cybersecurity incident experienced by Arena.

When information is considered public

The prohibition on trading when you have Material Nonpublic Information lifts once that information becomes publicly disseminated. But for information to be considered publicly disseminated, it must be widely disseminated through a press release, a filing with the Securities and Exchange Commission (the "**SEC**"), or other widely disseminated announcement. Once information is publicly disseminated, it is still necessary to afford the investing public with sufficient time to absorb the information. Generally speaking, information will be considered publicly disseminated for purposes of this policy only after two full trading days have elapsed since the information was publicly disclosed. For example, if we announce Material Nonpublic Information before trading begins on Wednesday, then you may execute a transaction in Arena Securities on Friday; if we announce Material Nonpublic Information after trading ends on Wednesday, then you may execute a transaction in Arena Securities on Monday. Depending on the particular circumstances, Arena may determine that a longer or shorter waiting period should apply to the release of specific Material Nonpublic Information.

QUARTERLY TRADING BLACKOUTS FOR COVERED INSIDERS

Because certain individuals are most likely to have regular access to Material Nonpublic Information about Arena, we require them to do more than refrain from insider trading. This includes Arena's directors, members of management at or above the level of Vice President, designated members of the Administrative, Finance, Investor Relations, Legal, Research & Development, or other teams who have been notified of their designation, and Designated Consultants of Arena who have been notified of their designation, all of whom we refer to collectively as our "**Covered Insiders**". To minimize even the appearance of insider trading among our Covered Insiders, we have established "Quarterly Trading Blackout Periods" during which our Covered Insiders and their Related Persons may not conduct any trades in Arena Securities—regardless of whether they are aware of Material Nonpublic Information. That means that, except as described in this policy, Covered Insiders and their Related Persons will be able to trade in Arena Securities only during limited open trading window periods that generally will begin after two full trading days have elapsed since the public dissemination of Arena's annual or quarterly financial results and end at the beginning of the next Quarterly Trading Blackout Period. Of course, even during an open trading window period, you may not (unless an exception applies) conduct any trades in Arena Securities if you are otherwise in possession of Material Nonpublic Information.

For purposes of this policy, each "**Quarterly Trading Blackout Period**" will generally begin at the end of the day that is three weeks before the end of each fiscal quarter and end after two trading days have elapsed since the public dissemination of Arena's financial results for that quarter. Please note that the Quarterly Trading Blackout Period may commence early or may be extended if, in the judgment of the Chief Executive Officer, Chief Financial Officer or General Counsel, there exists undisclosed information that would make trades by Covered Insiders inappropriate. It is important to note that the fact that the Quarterly Trading Blackout Period has commenced early or has been extended should be considered Material Nonpublic Information that should not be communicated to any other person.

A Covered Insider who believes that special circumstances require him or her to trade during a Quarterly Trading Blackout Period should consult the General Counsel or his or her designee to request preclearance. Preclearance to trade during a Quarterly Trading Blackout Period can be granted only after the General Counsel or his or her designee confirms that the Covered Insider is not aware of any Material Nonpublic Information relating to Arena or Arena Securities and there appears to be no significant risk that the trade may subsequently be questioned.

EVENT-SPECIFIC TRADING BLACKOUTS

From time to time, an event may occur that is material to Arena and is known only by directors, officers and/or employees. So long as the event remains material and nonpublic, the persons designated by the Chief Executive Officer, Chief Financial Officer, or General Counsel may not trade in Arena Securities. In that situation, Arena will notify the designated individuals that neither they nor their Related Persons may trade in Arena Securities. The existence of an event-specific trading blackout should also be considered Material Nonpublic Information and should not be communicated to any other person. Even if you have not been designated as a person who should not trade due to an event-specific trading blackout, you should not trade while aware of Material Nonpublic Information. Exceptions will not be granted during an event-specific trading blackout.

The quarterly and event-driven trading blackouts do not apply to those transactions to which this policy does not apply, as described under the heading "Exceptions to this Policy" below.

EXCEPTIONS TO THIS POLICY

This policy does not apply in the case of the following transactions, except as specifically noted:

1. **Option Exercises.** Persons subject to this policy may exercise options granted under Arena's equity compensation plans by paying the exercise price in cash and holding the underlying shares (often called a "Cash Exercise" or "Exercise-and-Hold"), or, where permitted under the option, by net exercise. However, this exception does not apply to any sale of stock as part of a broker-assisted cashless exercise, such as a "Same-Day Sale" with E*Trade, or any other sale of stock, even if the proceeds from the sale are used to pay your exercise price or tax obligation—for example, a "Sell-to-Cover" or "Same-Day Sale" transaction will be subject to this policy because each of those transactions involves a sale of shares on the open market, which is subject to this policy.

2. **Tax Withholding.** This policy does not apply to the surrender of shares directly to Arena to satisfy tax withholding obligations arising from restricted stock units, options or other equity awards granted under Arena's equity compensation plans. For example, if employees have RSUs or PRSUs scheduled to vest and they make an election in E*Trade to have Arena "Withhold Shares" to cover their tax obligations, those elections are not subject to this policy. Of course, any sale of stock they do receive remains subject to this policy, even if the proceeds from the sale are used to pay their exercise price or tax obligation instead of being deposited into their account—for example, a "Sell-to-Cover" or "Same-Day Sale" transaction will be subject to this policy because each of those transactions involves a sale of shares on the open market, which is subject to this policy.

3. **ESPP.** Arena employees who are eligible to do so may purchase stock under Arena's Employee Stock Purchase Plan ("**ESPP**") on periodic designated dates in accordance with the ESPP without restriction. However, this exception does not apply to any sale of stock acquired pursuant to the ESPP.

4. **10b5-1 Automatic Trading Programs.** Under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended ("**Exchange Act**"), employees, directors and consultants may establish a trading plan under which a broker is instructed to buy and sell Arena Securities based on pre-determined criteria (a "**Trading Plan**"). So long as a Trading Plan is properly established, purchases and sales of Arena Securities pursuant to that plan may be made at any time—even in a trading blackout period. An employee's, director's or consultant's Trading Plan must be established in compliance with the requirements of Rule 10b5-1 of the Exchange Act and any applicable 10b5-1 trading plan guidelines of Arena at a time when they were unaware of any Material Nonpublic Information relating Arena and when they were not subject to a trading blackout period. Moreover, all Trading Plans must be reviewed and approved by Arena before being established to confirm that the Trading Plan complies with all pertinent company policies, including our Rule 10b5-1 Trading Plan Guidelines, and the securities laws.

5. **Gifts.** This policy does not apply to *bona fide* gifts of Arena Securities that have been precleared by Arena's General Counsel or his or her designee. Whether a gift is truly *bona fide* will depend on the facts and circumstances surrounding each gift. Preclearance must be requested at least two business days in advance of the proposed gift, and precleared gifts not completed within the preclearance window (generally five business days, subject to change by Arena) will require new preclearance.

SPECIAL AND PROHIBITED TRANSACTIONS

1. ***Inherently Speculative Transactions.*** No Arena employee, director, or Designated Consultant may engage in short sales, transactions in put options, call options or other derivative securities on an exchange or in any other organized market, or in any other inherently speculative transactions with respect to Arena Securities.

2. ***Hedging Transactions.*** Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such hedging transactions may permit an Arena employee, director, or Designated Consultant to continue to own Arena Securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the Arena employee, director, or Designated Consultant may no longer have the same objectives as Arena's other stockholders. Therefore, Arena employees, directors, and Designated Consultants are prohibited from engaging in any such transactions.

3. ***Margin Accounts and Pledged Securities.*** No Arena employee, director, or Designated Consultant may hold Company Securities in a margin account or otherwise pledge Arena's Securities as collateral for a loan. Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of Material Nonpublic Information or otherwise is not permitted to trade in Arena Securities, Arena employees, directors, and Designated Consultants are prohibited from holding Company Securities in a margin account or otherwise pledging Arena Securities as collateral for a loan.

4. ***Standing and Limit Orders.*** Standing and limit orders (except standing and limit orders under approved Trading Plans, as discussed above) create heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when an Arena employee, director, or Designated Consultant is in possession of Material Nonpublic Information. Arena therefore discourages placing standing or limit orders on Arena Securities. If a person subject to this policy determines that they must use a standing order or limit order (other than under an approved Trading Plan as discussed above), the order should be limited to short duration and the person using such standing order or limit order is required to cancel such instructions immediately in the event restrictions are imposed on their ability to trade pursuant to the "Quarterly Trading Blackouts" and "Event-Specific Trading Blackouts" provisions above.

PRECLEARANCE

In addition to the requirements above, Covered Insiders who have been notified that they are subject to preclearance requirements face a further restriction: Even during an open trading window, they may not engage in any transaction in Arena Securities without first obtaining preclearance of the transaction from Arena's General Counsel or his or her designee at least two business days in advance of the proposed transaction. The General Counsel or his or her designee will then determine whether the transaction may proceed. Precleared transactions not completed within the specified preclearance period (generally five business days, subject to change by Arena) will require new preclearance. Individuals subject to preclearance requirements

should refer to the “Preliminary Procedures” that were separately provided to them for additional information.

SHORT-SWING TRADING, CONTROL STOCK, ADVANCE NOTICE OF TRANSACTIONS, AND SECTION 16 REPORTS

Officers and directors subject to the reporting obligations under Section 16 of the Exchange Act (“**Section 16 Filers**”) are subject to additional obligations and restrictions.

In addition to the preclearance requirements above, when Section 16 Filers complete precleared transactions they should immediately notify the Office of the General Counsel at insidertradingpolicy@arenapharm.com so that Arena may assist them in filing any Section 16(a) reports (Forms 3, 4, and 5).

Further, before Section 16 Filers complete any transaction that is exempt from preclearance, such as a cash exercise of stock options, they are required to give advance notice of their plans to the Office of the General Counsel at insidertradingpolicy@arenapharm.com. Once any transaction takes place, they must immediately notify the Office of the General Counsel at insidertradingpolicy@arenapharm.com so that Arena may assist them in satisfying any Section 16 reporting obligations.

Section 16 Filers must also take care to avoid short-swing transactions (within the meaning of Section 16(b) of the Exchange Act) and the restrictions on sales by control persons (Rule 144 under the Securities Act of 1933, as amended).

Section 16 Filers should refer to Arena’s Section 16 Filing Requirements memorandum for additional information on Section 16, their obligations under Section 16, and how Arena can assist them in satisfying those obligations.

PROHIBITION OF TRADING DURING RETIREMENT PLAN BLACKOUTS

No director or executive officer of Arena may, directly or indirectly, purchase, sell or otherwise transfer any equity security of Arena (other than an exempt security) during any “blackout period” (as defined in Regulation BTR under the Exchange Act) if a director or executive officer acquires or previously acquired such equity security in connection with his or her service or employment as a director or executive officer. This prohibition does not apply to any transactions that are specifically exempted, including but not limited to, purchases or sales of Arena Securities made pursuant to, and in compliance with, a Trading Plan; compensatory grants or awards of equity securities pursuant to a plan that, by its terms, permits executive officers and directors to receive automatic grants or awards and specifies the terms of the grants and awards; or acquisitions or dispositions of equity securities involving a bona fide gift or by will or the laws of descent or pursuant to a domestic relations order. Arena will notify each director and executive officer of any blackout periods in accordance with the provisions of Regulation BTR. Because Regulation BTR is very complex, no director or executive officer of Arena should engage in any transactions in Arena Securities, even if believed to be exempt from Regulation BTR, without first consulting with the General Counsel.

POLICY’S DURATION

This policy continues to apply to your transactions in Arena Securities or the securities of other public companies engaged in business transactions with Arena even after your relationship with

Arena has ended. If you are aware of Material Nonpublic Information when your relationship with Arena ends, you may not trade Arena Securities or the securities of other applicable companies until the Material Nonpublic Information has been publicly disseminated or is no longer material. Further, if you leave Arena during a trading blackout period that applied to you immediately prior to your departure, then you may not trade Arena Securities or the securities of other applicable companies until the trading blackout period has ended.

INDIVIDUAL RESPONSIBILITY

Persons subject to this policy have ethical and legal obligations to maintain the confidentiality of information about Arena and to not engage in transactions in Arena Securities while aware of Material Nonpublic Information. Each individual is responsible for making sure that he or she complies with this policy, and that any family member, household member or other person or entity whose transactions are subject to this policy, as discussed under the heading “Persons Subject to this Policy” above, also comply with this policy. In all cases, the responsibility for determining whether an individual is aware of Material Nonpublic Information rests with that individual, and any action on the part of Arena or any employee or director of Arena pursuant to this policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by Arena for any conduct prohibited by this policy or applicable securities laws.

In addition, if you are aware of a suspected or actual violation of this policy by anyone, you have a responsibility to promptly report it to Arena’s General Counsel, an Executive Team member, or Arena’s third-party hotline.

PENALTIES

Anyone who engages in insider trading or otherwise violates this policy may be required to: disgorge profits made or the loss avoided by trading; pay significant civil penalties; and/or pay criminal penalties and serve time in jail. Violators also risk disciplinary action by Arena, including termination of employment. Anyone who has questions about this policy should contact their own attorney, or the Office of the General Counsel at insidertradingpolicy@arenapharm.com. Please also see Frequently Asked Questions, which are attached as **EXHIBIT A**.

AMENDMENTS

Arena is committed to continuously reviewing and updating its policies and procedures. Arena therefore reserves the right to amend, alter or terminate this policy at any time and for any reason. Substantive amendments must be approved by the Company’s Board of Directors or by its Corporate Governance and Nominating Committee. A current copy of Arena’s policies regarding insider trading may be obtained by contacting the Office of the General Counsel at insidertradingpolicy@arenapharm.com.

**EXHIBIT A
INSIDER TRADING POLICY
FREQUENTLY ASKED QUESTIONS**

1. *What is insider trading?*

A: Generally speaking, insider trading is the buying or selling of stocks, bonds, futures or other securities by someone who possesses or is otherwise aware of Material Nonpublic Information about the securities or the issuer of the securities. Insider trading also includes trading in derivatives (such as put or call options) where the price is linked to the underlying price of a company's stock. It does not matter whether the decision to buy or sell was influenced by the Material Nonpublic Information, how many shares you buy or sell, or whether it has an effect on the stock price. Bottom line: If you are aware of Material Nonpublic Information about Arena or another publicly traded company that Arena has business relationships with and you trade in Arena's or such other company's securities, you have broken the law.

2. *Why is insider trading illegal?*

A: If company insiders are able to use their confidential knowledge to their financial advantage, other investors would not have confidence in the fairness and integrity of the market. This ensures that there is an even playing field by requiring those who are aware of Material Nonpublic Information to refrain from trading.

3. *What is Material Nonpublic Information?*

A: Information is material if it would influence a reasonable investor to buy or sell a stock, bond future or other security. This could mean many things: financial results, clinical or regulatory results, potential acquisitions or major contracts to name just a few. Information is nonpublic if it has not yet been publicly disseminated within the meaning of our insider trading policy.

4. *Who can be guilty of insider trading?*

A: Anyone who buys or sells a security while aware of Material Nonpublic Information, or provides Material Nonpublic Information that someone else uses to buy or sell a security, may be guilty of insider trading. This applies to all individuals, including officers, directors and others who don't even work at Arena. Regardless of who you are, if you know something material about the value of a security that not everyone knows and you trade (or convince someone else to trade) in that security, you may be found guilty of insider trading.

5. *Does Arena have an insider trading policy?*

A: Yes, the insider trading policy is available to read on our website at <https://invest.arenapharm.com/corporate-governance>.

6. *What if I work in a foreign office?*

A: The same rules apply to U.S. and foreign employees and consultants. The Securities and Exchange Commission (the U.S. government agency in charge of investor protection) and the Financial Industry Regulatory Authority (a private regulator that oversees U.S. securities exchanges) routinely investigate trading in a company's securities conducted by individuals and

firms based abroad. In addition, as an Arena director, employee or consultant, our policies apply to you no matter where you work.

7. *What if I don't buy or sell anything, but I tell someone else Material Nonpublic Information and they buy or sell?*

A: That is called "tipping." You are the "tipper" and the other person is called the "tippee." If the tippee buys or sells based on that Material Nonpublic Information, both you and the "tippee" could be found guilty of insider trading. In fact, if you tell family members who tell others and those people then trade on the information, those family members and the "tippee" might be found guilty of insider trading too. To prevent this, you may not discuss Material Nonpublic Information about the company with anyone outside Arena, including spouses, family members, friends or business associates (unless the disclosure is made in accordance with Arena's policies regarding the protection or authorized external disclosure of information regarding Arena). This includes anonymous discussions on the internet about Arena or companies with which Arena does business.

8. *What if I don't tell them the information itself; I just tell them whether they should buy or sell?*

A: That is still tipping, and you can still be responsible for insider trading. You may never recommend to another person that they buy, hold or sell Arena's common stock or any derivative security related to Arena's common stock, since that could be a form of tipping.

9. *What are the sanctions if I trade on Material Nonpublic Information or tip off someone else?*

A: In addition to disciplinary action by Arena—which may include termination of employment—you may be liable for civil sanctions for trading on Material Nonpublic Information. The sanctions may include return of any profit made or loss avoided as well as penalties of up to three times any profit made or any loss avoided. Persons found liable for tipping Material Nonpublic Information, even if they did not trade themselves, may be liable for the amount of any profit gained or loss avoided by everyone in the chain of tippees as well as a penalty of up to three times that amount. In addition, anyone convicted of criminal insider trading could face prison and additional fines.

10. *What is "loss avoided"?*

A: If you sell common stock or a related derivative security before negative news is publicly announced, and as a result of the announcement the stock price declines, you have avoided the loss caused by the negative news.

11. *Am I restricted from trading securities of any companies other than Arena, such as a partner or competitor of Arena?*

A: Possibly. U.S. insider trading laws generally restrict everyone aware of Material Nonpublic Information about a company from trading in that company's securities, regardless of whether the person is directly connected with that company, except in limited circumstances. Therefore, if you have Material Nonpublic Information about another company, you should not trade in that company's securities. You should be particularly conscious of this restriction if,

through your position at Arena, you sometimes obtain sensitive, material information about other companies and their business dealings with Arena.

12. *So if I do not trade Arena Securities when I have Material Nonpublic Information, and I don't "tip" other people, I am in the clear, right?*

A: Not necessarily. Even if you do not violate U.S. law, you may still violate our policies. For example, employees and consultants may violate our policies by breaching their confidentiality obligations or by recommending Arena stock as an investment, even if these actions do not violate securities laws. Our policies are stricter than the law requires so that we and our employees and consultants can avoid even the appearance of wrongdoing. Therefore, please review the entire policy carefully.

13. *So when can I buy or sell my Arena Securities?*

A: If you are aware of Material Nonpublic Information, you may not buy or sell our common stock until the third trading day after that information is released or announced to the public. At that point, the information is considered publicly disseminated for purposes of our insider trading policy. **Even if you are not aware of any Material Nonpublic Information, you may not trade our common stock during any trading "blackout" period.** Our insider trading policy describes the Quarterly Trading Blackout Period, and additional event-driven trading blackout periods may be announced by email.

14. *If I have an open order to buy or sell Arena Securities on the date a blackout period commences, can I leave it to my broker to cancel the open order and avoid executing the trade?*

A: No, unless it is in connection with a 10b5-1 trading plan (see Question 27 below). If you have any open orders when a blackout period commences other than in connection with a 10b5-1 trading plan, it is your responsibility to cancel these orders with your broker. If you have an open order and it executes after a blackout period commences not in connection with a 10b5-1 trading plan, you will have violated our insider trading policy and may also have violated insider trading laws.

15. *Am I allowed to trade derivative securities of Arena's common stock?*

A: No. Under our policies, you may not trade in derivative securities related to our common stock, which include publicly traded call and put options. In addition, under our policies, you may not engage in short selling of our common stock at any time.

"Derivative securities" are securities other than common stock that are speculative in nature because they permit a person to leverage their investment using a relatively small amount of money. Examples of derivative securities include "put options" and "call options." These are different from employee options and other equity awards granted under our equity compensation plans, which are not derivative securities for purposes of our policy.

"Short selling" is profiting when you expect the price of the stock to decline, and includes transactions in which you borrow stock from a broker, sell it, and eventually buy it back on the market to return the borrowed shares to the broker. Profit is realized if the stock price decreases during the period of borrowing.

16. *Why does Arena prohibit trading in derivative securities and short selling?*

A: Many companies with volatile stock prices have adopted similar policies because of the temptation it represents to try to benefit from a relatively low-cost method of trading on short-term swings in stock prices, without actually holding the underlying common stock, and encourages speculative trading. We are dedicated to building stockholder value, short selling our common stock conflicts with our values and would not be well-received by our stockholders.

17. *Can I purchase Arena Securities on margin or hold them in a margin account?*

A: Under our policies, you may not purchase our common stock on margin or hold it in a margin account at any time.

“Purchasing on margin” is the use of borrowed money from a brokerage firm to purchase Arena Securities. Holding Arena Securities in a margin account includes holding the securities in an account in which the shares can be sold to pay a loan to the brokerage firm.

18. *Why does Arena prohibit me from purchasing Arena Securities on margin or holding them in a margin account?*

A: Margin loans are subject to a margin call whether or not you possess Material Nonpublic Information at the time of the call. If a margin call were to be made at a time when you were aware of Material Nonpublic Information and you could not or did not supply other collateral, you may be liable under insider trading laws because of the sale of the securities (through the margin call). The sale would be attributed to you even though the lender made the ultimate determination to sell. The U.S. Securities and Exchange Commission takes the view that you made the determination to not supply the additional collateral and you are therefore responsible for the sale.

19. *Can I pledge my Arena shares as collateral for a personal loan?*

A: No. Pledging your shares as collateral for a personal loan could cause the pledgee to transfer your shares during a trading blackout period or when you are otherwise aware of Material Nonpublic Information. As a result, you may not pledge your shares as collateral for a loan.

20. *Can I hedge my ownership position in Arena?*

A: Hedging or monetization transactions, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds are prohibited by our insider trading policy. Since such hedging transactions allow you to continue to own Arena Securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership, you may no longer have the same objectives as Arena’s other stockholders. Therefore, our insider trading policy prohibits you from engaging in any such transactions.

21. *Can I exercise options granted to me under Arena’s equity compensation plans during a trading blackout period or when I possess Material Nonpublic Information?*

A: Yes. You may exercise the options and receive shares, but you may not sell the shares (even to pay the exercise price or any taxes due) during a trading blackout period or any time that you are aware of Material Nonpublic Information.

22. Am I subject to trading blackout periods if I am no longer an employee or consultant of Arena?

A: It depends. If your employment with Arena ends during a trading blackout period, you will be subject to the remainder of that trading blackout period. If your employment with Arena ends on a day that the trading window is open, you will not be subject to the next trading blackout period. However, even if you are not subject to our trading blackout period after you leave Arena, you should not trade in Arena Securities if you are aware of Material Nonpublic Information. That restriction stays with you as long as the information you possess is material and not publicly disseminated within the meaning of our insider trading policy.

23. Can I gift stock while I possess Material Nonpublic Information or during a trading blackout period?

A: It depends. Because of the potential for the appearance of impropriety, you may only make *bona fide* gifts of our common stock when you are aware of Material Nonpublic Information or during a trading blackout period if (and only if) the gift has been precleared by Arena's General Counsel or his or her designee. Whether a gift is truly *bona fide* will depend on the facts and circumstances surrounding each gift.

24. What if I purchased publicly traded options or other derivative securities before I became an Arena employee or consultant?

A: The same rules apply as for employee stock options. You may exercise the publicly traded options at any time, but you may not sell the securities during a trading blackout period or at any time that you are aware of Material Nonpublic Information.

25. May I own shares of a mutual fund that invests in Arena?

A: Yes.

26. Are mutual fund shares holding Arena common stock subject to the trading blackout periods?

A: No. You may trade in mutual funds holding Arena common stock at any time.

27. May I use a "routine trading program" or "10b5-1 plan"?

A: Yes, subject to the requirements discussed in our insider trading policy and any 10b5-1 trading plan guidelines. A routine trading program, also known as a 10b5-1 plan, allows you to set up a highly structured program with your stock broker where you specify ahead of time the date, price, and amount of securities to be traded. If you wish to create a 10b5-1 plan, please refer to our Rule 10b5-1 Trading Plan Guidelines and contact the Office of the General Counsel for approval at insidertradingpolicy@arenapharm.com.

28. What happens if I violate our insider trading policy?

A: Violating our policies may result in disciplinary action, which may include termination of your employment or other relationship with Arena. In addition, you may be subject to criminal and civil sanctions.

29. Who should I contact if I have questions about our insider trading policy or specific trades?

A: You should contact the Office of the General Counsel at insidertradingpolicy@arenapharm.com.